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Progress in the renovation of Africa Hall and the construction of new office facilities at the Economic Commission for Africa in Addis Ababa

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 72/262 A, in which the Assembly requested the Secretary-General to submit, at the main part of its seventy-third session, a progress report on the implementation of the construction projects and the renovation of the conference facilities at the Economic Commission for Africa, including Africa Hall and the visitors' centre, outlining, inter alia, project expenditure and total costs.

The report provides an update on the design development, procurement activities, project governance, work progress, contingency management and status of voluntary contributions towards the Africa Hall renovation project, along with an update on the business case for the visitors' centre. The report also provides information on the initiation of a project risk management framework, including the outcome of a quantitative risk analysis, which shows that the potential impact of known risks falls within expected levels and provides the Organization with confidence that the project will be completed within available resources.

It is recommended that the General Assembly take note of the progress made since the issuance of the previous progress report (A/72/374), take note of the revised cost plan for the Africa Hall project, and appropriate an amount of $8,931,100 for project activities in 2019.

* A/73/150.

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I. Update on the construction of new office facilities (Zambezi Building) and ancillary works

1. By its resolution 56/270, the General Assembly approved the construction of new office facilities at the Economic Commission for Africa (ECA). Known as the Zambezi Building, the construction of the new office facilities was completed in the third quarter of 2017. The maximum overall cost approved for the project was $15,333,200.

2. By its resolution 62/238, the General Assembly approved additional project components (referred to herein as ancillary works), which included improvements to the access, safety and functionality of the Zambezi Building site, as well as a generator house. In the third quarter of 2017, both the final completion of the generator house and substantial completion of the remaining ancillary works were achieved. As of the drafting of the present report, the overall status of the remaining ancillary works project has remained on track. The project is currently in the defect liability period. The project is expected to be closed out, following the expiry of the one-year liability period, which is set to end in the third quarter of 2018. At that time, a certificate of final completion will be issued and the final 5 per cent retention payment, in the amount of $85,000, will be disbursed to the contractor, thereby marking the formal completion of the project.

II. Progress in the Africa Hall renovation project

A. Background

3. By its resolution 70/248 A, the General Assembly approved the project scope, schedule and maximum overall costs in the amount of $56.9 million for stages 3 to 5 of the Africa Hall renovation project, along with the establishment of a multi-year construction-in-progress account, and appropriated an amount of $13,438,600 under the programme budget for the biennium 2016–2017. In its resolution 71/272 A, the General Assembly took note of the cost plan adjustments made, which indicated reduced cash needs for the biennium 2016–2017, as well as other adjustments for the following years. By its resolution 72/262 A, the General Assembly approved an appropriation of $5,700,300 under the programme budget for the biennium 2018–2019 for project activities in 2018.

B. Project objectives

4. The project's objectives, specified in related previous reports of the Secretary-General, remain unchanged.

5. The project aims to renovate the building in a manner that respects the original design and appearance of spaces while ensuring compliance with best practices with respect to current international building standards and codes. These include: (a) structural and seismic requirements; (b) physical, life and fire safety of occupants; (c) accessibility and other provisions for persons with disabilities; (d) energy efficiency and other initiatives related to the efficient use of natural resources; and (e) achievement of healthy indoor air and light quality.

6. The project is expected to be delivered within the maximum approved budget of $56.9 million, which includes contingency provisions. The cost plan is regularly monitored and maintained, and the project budget is currently considered sufficient to complete the project.

7. The project is scheduled for completion by the end of 2021. However, while the Secretariat considers that project can be completed by that time, there are significant risks that could delay project completion, as further described in the report.

8. Since its inception, the project, both in terms of design and construction, is being developed and implemented in line with current international building codes and standards, with a view to achieving the highest standards for conference facilities, while preserving and restoring the historical and cultural values embedded in the building's architecture. All proposed variations, modifications or changes made during the present reporting period have been assessed with a view to maintaining the overall project objectives, including cost, schedule and quality objectives.

9. With support from the Office of Central Support Services, and in line with paragraph 13 of section V of General Assembly resolution 71/272 A, ECA has established a governance structure for the project, as summarized below.

C. Project governance

Stakeholders Committee

10. During the reporting period, the Stakeholders Committee, which was established in 2016, met twice, in November 2017 and July 2018.

11. At the second meeting, in July 2018, stakeholders were updated on and informed of project progress, including the final detailed design for the main renovation of Africa Hall. In accordance with the established terms of reference, the recommendations of Stakeholders Committee members are important, even essential, given that the stakeholders are responsible for establishing and monitoring whether the project meets specific requirements in their field of expertise and responsibility, and for providing advice accordingly to the project owner. That is especially relevant during the current phase of the project, in which any changes in requirements could lead to variations (change orders) that result in cost or schedule overruns.

Advisory Board

12. The Advisory Board was constituted in July 2017 and first met in August 2017. Subsequent meetings were held in December 2017 and May 2018. A fourth meeting is scheduled for September 2018. Board members have performed their roles actively and have provided the project owner with valuable views and recommendations, including those mentioned in the paragraphs below.

13. Discussions at the two most recent meetings contributed to the further fine-tuning of the Board's draft terms of reference, which have since been finalized, to clarify the role of the Board. To date, the Board has provided useful input and analysis for use in the design development; given advice on the strategy for mobilizing voluntary contributions and for enhancing and strengthening coordination with host country authorities; and offered to facilitate the resolution of outstanding host country matters (such as the donation of an additional parcel of land for use by ECA for visitors' parking).

14. During its meetings, the Board was briefed on the project's status and on both potential and actual changes to project baselines, to enable the Board to contribute to the identification of required mitigation measures, in particular with regard to potential schedule slippage.

15. Following the appointment of Board members in 2017 (see A/72/374, paras. 44 and 45), the representatives of Chile and the Islamic Republic of Iran had to cut short

their membership owing to diplomatic reassignment. Representatives of Bangladesh and Cuba have recently been appointed to replace the outgoing members.

Coordination with Headquarters

16. An administrative and coordination agreement signed in 2017 provides a framework for various project management functions, such as change controls. It also defines the roles and responsibilities of team members during the construction administration phase of the project.

17. Representatives from the Global Property Management Service of the Office of Central Support Services holds regular bimonthly coordination meetings with the ECA project team and conducted one mission to Addis Ababa, in February 2018. The Global Property Management Service provides oversight for the project, technical guidance and advice to the project team, and insights from lessons learned from other United Nations capital projects, while ensuring that applicable global property-related policies are adhered to in the activities undertaken by the project team. In the present reporting period, emphasis was placed on the provision of independent risk management services, in line with General Assembly resolution 72/262 A.

D. Project management

18. The dedicated project management team is led by a project manager (P-5), who reports to the project executive, the Director of Administration of ECA. The project team comprises an architect/engineer (P-4), a procurement officer (P-3), an architectural/civil/structural engineer (National Officer), a mechanical/electrical engineer (National Officer), a clerk of works (National Officer), a finance and budget assistant (local level) and a logistics and shipping assistant (local level), all approved by the General Assembly in resolution 70/248 A.

19. A project coordinator (P-4), the costs of whom are shared with the seismic mitigation retrofit and life-cycle replacements project at the Economic and Social Commission for Asia and the Pacific, situated in the Office of Central Support Services and based at Headquarters, was approved by the General Assembly in resolution 71/272 A. The incumbent was brought on board in November 2017 and has since been providing technical guidance and oversight for the project, with an emphasis on risk management, including administering the contract of the independent risk management consultant.

20. Six security officers (local level), approved by the General Assembly in resolution 71/272 A, have been recruited and have been on duty since September 2017. After the required training was received, those officers have joined the ECA Security and Safety Service and contribute to the security of the construction site.

21. As indicated in the previous report (see A/72/374, para. 48), ECA is currently in the process of engaging consultants to meet the requirements for specialized expertise that is not available within the project team. Below is an update on the status of those appointments:

(a) Exhibition curator experts — Initial recruitment activities in July 2017 found no suitable candidates. Hence, it was decided to split the services into two contracts. One expert will focus on the curatorial component, providing input for the design of the permanent exhibition, compiling materials and documents to be exhibited, and overseeing work implementation. The other expert will focus on organizational elements, including by supporting the Public Information and Knowledge Management Division in refining the business case and establishing design criteria for the visitors' centre.

(b) Artworks restoration expert — Following an initial unsuccessful attempt in December 2017, ECA relaunched the recruitment process in March 2018, reaching out to the broadest possible audience (including through the network of schools of art in Addis Ababa). A suitable candidate was finally selected and is expected to be onboarded in September 2018. The expert will participate in the evaluation of tenders for artwork restoration and oversee the restoration.

(c) Information technology, audiovisual and conference engineering services expert — A recruitment effort launched in December 2017 did not yield satisfactory results. Therefore, it was decided, in coordination with the Information and Communications Technology Service at ECA, that the required project tasks would be carried out internally by establishing a working group comprising members with the skills necessary to oversee planned upgrades to the conference engineering systems, allowing for a smooth hand-over of related project components to the Information and Communications Technology Service.

E. Project accountability

22. In line with General Assembly resolutions 69/262, 70/248 A, 71/272 A and 72/262 A, the Office of Internal Oversight Services (OIOS) conducted its third annual audit of the project between February and March 2018.

23. The latest audit report, which was issued in May 2018, contained four important recommendations: (a) to establish a trust fund to account for voluntary and in-kind contributions; (b) to develop and implement an action plan to conduct the planned resource mobilization activities; (c) to incorporate different admission options for the visitors' centre; and (d) to quantify the effects of the delay in commencing construction in terms of cost and incorporate that data into a Monte Carlo simulation.

24. ECA values the regular OIOS audits given that they provide the occasion for the project owner, the project executive and team members to improve efforts with a view to the effective and efficient implementation of the project. Also highlighted in the audit outcomes were the importance of coordinated stakeholder involvement during project implementation and the requirement to closely monitor the project schedule.

F. Risk management

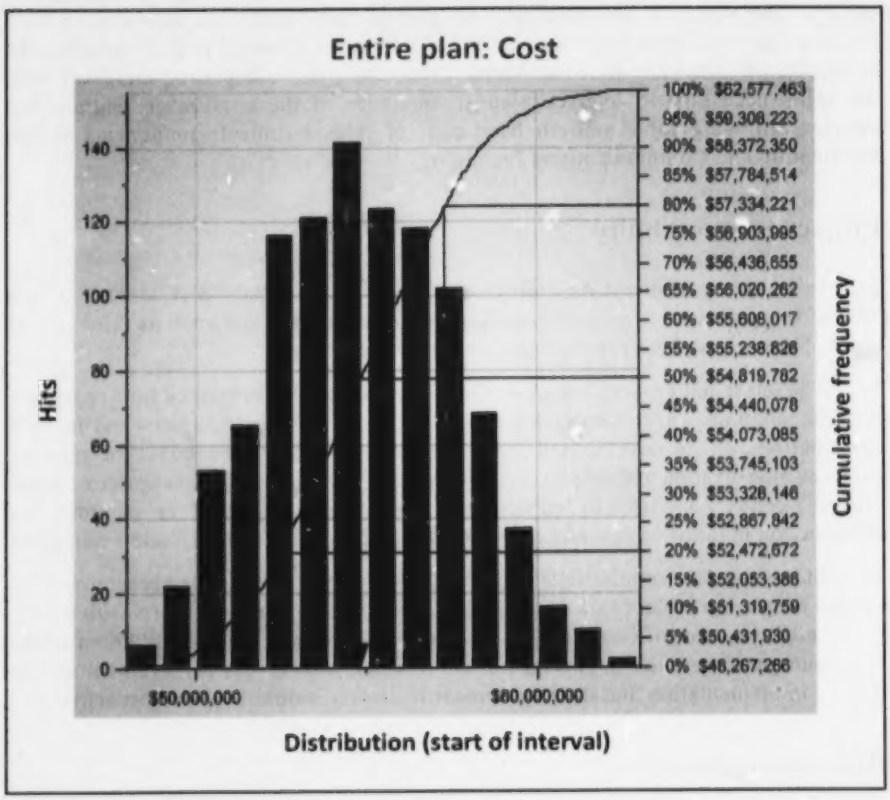
Independent risk management

25. The Office of Central Support Services, in consultation with the ECA project team, established a project risk management strategy, the purpose of which has been to achieve the following: (a) to establish processes and procedures for the identification, assessment and prioritization of risks; (b) to facilitate the planning and implementation of risk responses that ensure the successful delivery on expected project objectives; and (c) to enable the Organization to assess and manage a risk-based contingency budget, in line with recommendations of the Advisory Committee for Administrative and Budgetary Questions (see A/72/7/Add.26, para. 14).

26. In February 2018, a risk workshop was held at ECA that was facilitated by the Office of Central Support Services and attended by the project team, ECA stakeholders and representatives from the independent risk management firm. The outcomes and products of the workshop included the adoption of a project risk management strategy, the creation of a project risk register and the implementation of a quantitative analysis of risks (i.e., a Monte Carlo simulation). The independent risk management firm committed to producing two reports per year throughout the project implementation period, the first of which was issued in June 2018.

27. The Monte Carlo analysis takes input from the project team, including risk scores (being the product of the factor's probability and likelihood) for each risk, the most likely range of quantitative effects of each risk, and simulates thousands of theoretical versions of the project. A summary of the first Monte Carlo analysis, in the form of a cost histogram, is shown in figure I below.

Figure I
Cost histogram of Africa Hall renovation project risks as of June 2018



28. For the Secretariat's capital construction projects, a "P80" benchmark has been established as the target for measuring risk on a given project, meaning that the project team would ideally strive to have an 80 per cent confidence level that the project would be completed within budget.

29. The Monte Carlo simulation shows that there is a 75 per cent level of confidence that the project would be completed within the approved budget. Although slightly below the ideal level, given the stage of the project (i.e., prior to the awarding of the construction contract), the Secretariat remains confident that the project will be delivered within budget, given that the main strategies for mitigating the major risks have already been identified and the project team has already started to align its operative efforts accordingly.

Integrated risk management

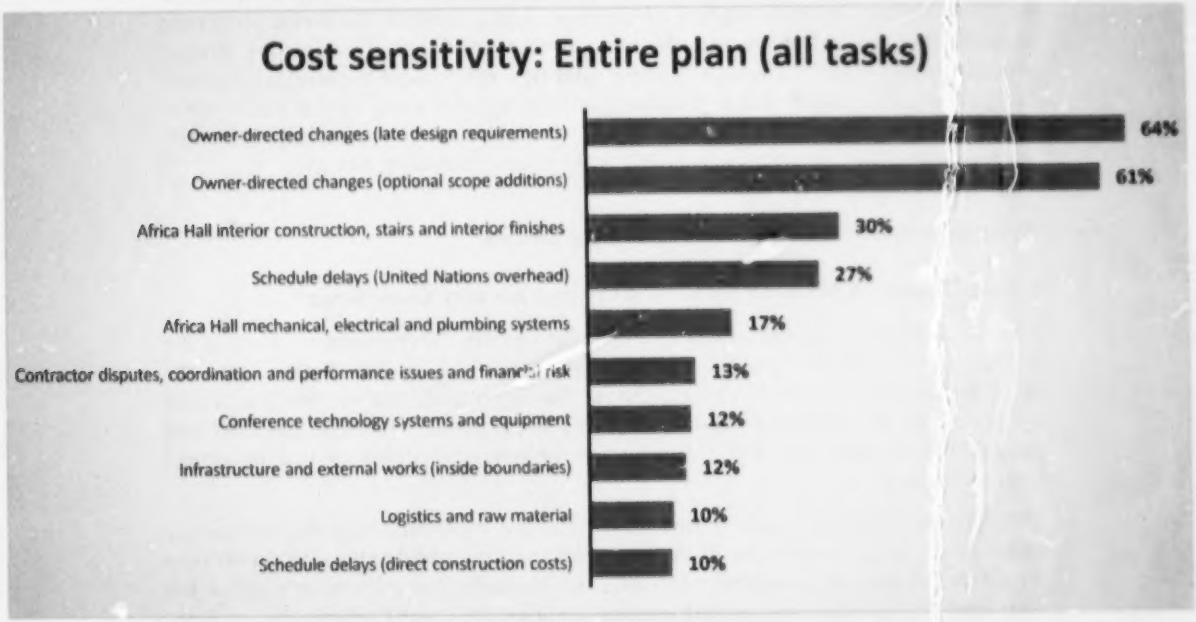
30. Integrated risk management continues to be performed at the local level by the ECA dedicated project management team, with support from the lead consultant firm. The project manager is coordinating the efforts of all parties, in particular the team members, consultant and contractors. Risk owners are assigned to monitor each risk

and to control the implementation of mitigation actions. As part of the regular monitoring activities, such as the weekly site meeting, the risk situation is carefully analysed and discussed. On a monthly basis, the team holds a specific session to update the risk register. Risks are discussed in all meetings with senior management and advisers.

Risk register

31. Building upon the risk register that was established at the onset of the project (see A/72/374, paras. 52–54), the project team refined its current approach to populating and managing the risk register, in line with the newly developed project risk management strategy. All risks are given scores and are assigned a risk owner, and proposed responses are listed. Risks are monitored and controlled by the project team, and in accordance with the risk management strategy, emphasis is placed on addressing the 10 issues that pose the greatest overall risk to the project, the mitigation of which could offer the greatest benefit to the project. A summary of the top 10 risks and their individual potential impact on project costs (cost sensitivity) are shown in figure II below.

Figure II
Cost sensitivity chart: Top 10 risks as of March 2018



32. The cost sensitivity chart in figure II above measures the correlation between individual risk entries and the overall estimate-at-completion amount. The higher the cost sensitivity, the stronger the relationship between the estimate at completion and the individual risk.

Description of project risks having highest cost impact and the proposed risk response

33. The risks with the highest potential impact on the project, identified in the cost sensitivity chart above, are explained in more detail below:

(c) **Owner directed changes** (late design requirements and optional scope additions) — This risk refers to owner requirements that were not captured in baseline design documents and, therefore, could potentially result in additional costs as a change order. Risk mitigation measures focus on attaining stakeholder approvals prior to the issuance of contract design documents to mitigate the chances of receiving change requests later. The project team continuously emphasizes the importance of the Stakeholders Committee's active involvement in the project, in line with the risk management strategy.

(d) **Africa Hall hidden and unpredictable existing building conditions** — The renovation of existing interiors is generally considered riskier than entirely new construction owing to unforeseeable conditions that are embedded in the core nature of such projects, for this project, there is the added component of historic preservation requirements. As a risk mitigation measure, the project team assessed the existing site conditions and performed constructability reviews during design development and incorporated their findings into the final design. In addition, site inspections will be continuously performed during the construction phase to identify potential unknowns as early as possible and to take corrective action or make adjustments, when and if required.

(e) **Schedule delays** — There could be potential delays in implementation, based on construction progress to date for the early works package and on the projected timing for the awarding of the main works contract. As a risk mitigation measure, the project team and the risk owners are regularly adjusting project procedures and clarifying roles and responsibilities with respect to individual actions. In addition, the project team is closely monitoring the work of the early works contractor and will engage the main works contractor (once appointed) to identify ways to potentially shorten the schedule without compromising quality.

G. Progress made during the reporting period

Cooperation with Member States and the host country Government

34. Collaboration between ECA and the host country Government resulted in the signature of a project-specific agreement between the United Nations and the Government of Ethiopia on 13 April 2018. The agreement sets out the operational arrangements for ensuring smooth and rapid processing through customs and importation of materials, while also conferring other privileges related to project implementation.

35. On 5 June 2018, the Addis Ababa mayor's office confirmed both the availability of the parcel of land needed by ECA for visitors' parking and that the city master plan would be adjusted to meet that need. ECA understands that the mayor's office has instructed the relevant specialized entities, such as the Land Commission, to work with the Ministry of Foreign Affairs and reflect the details in the city master plan. This matter will be the subject of discussion at the forthcoming coordination meeting with the host country authorities, and the details will be reflected in the lease agreement that will be finalized in the near future.

36. Furthermore, together with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the African Union, the host country Government has defined specific themes for the proposed permanent exhibition space, in particular regarding the historical aspects of Africa Hall.

Voluntary contributions

37. With regard to the contribution already received from Mali (see A/71/370, para. 50), ECA has established a trust fund that will be used to record past and future contributions to the project.

38. Regarding the interest expressed by the Government of Switzerland in making a contribution (see A/72/374, para, 38), discussions continued during the reporting period to define the details. The Swiss authorities opted for their contribution to support, in part, the costs related to the start-up of the visitors' centre and, in part, the costs for operating the visitors' centre during its first year. As of the drafting of the present report, the finalization of the contribution agreement was well under way.

39. During the reporting period, ECA continued to promote the project and made further efforts to seek voluntary contributions through several initiatives. In particular, as previously reported by the Secretary-General (see A/72/374, para. 36), ECA focused on Member States collectively in the context of regional groupings. For that purpose, five meetings were held in May and June 2018. Following those meetings, an expression of interest was received from the Islamic Republic of Iran regarding the options for contributions. Although no concrete offers of voluntary contributions have been received to date, the sessions afforded ECA the opportunity to distribute materials and promote the project, with a view to obtaining voluntary support. A note verbale by which all Member States were encouraged to make voluntary contributions was sent to embassies in Addis Ababa in April 2018.

40. In addition, promotional materials, including a letter from the Executive Secretary, in her role as project owner, with an appeal for voluntary support, were distributed at the most recent Conference of African Ministers of Finance, Planning and Economic Development, held in Addis Ababa in May 2018. ECA will continue to promote the project through such large events and conferences, including at summits of the African Union.

41. Plans are also under way to hold a dedicated voluntary contributions event, coinciding with a milestone in the construction phase of the project, such as a ground-breaking ceremony, at the earliest opportunity.

42. The Partnerships and Resource Mobilization Section of ECA is also developing a comprehensive strategy and related action plan to mobilize resources from the private sector, in accordance with applicable United Nations regulations and rules, as requested by the General Assembly.

43. ECA has also made progress in negotiations with host country authorities to clearly define and agree on the modalities for the provision of in-kind contributions envisaged as part of the land parcel requested for use as visitors' parking.

Procurement activities

44. The project implementation strategy entails breaking down the overall work programme into the following packages: (a) early decanting works; (b) Africa Hall main renovation works; (c) high-tech conference systems and networks; (d) artwork conservation; and (e) the permanent exhibition.

45. An agreement regarding delivery on the early decanting works package, which includes preliminary work, renovation of the Congo Building and related infrastructure works, was signed with a contractor in January 2018, and work commenced in February 2018. That contract was amended in May 2018 to include the external and internal renovation of the Nile Building in the scope of work, following a competitive procurement process.

46. The work on the main renovation of Africa Hall, which is by far the largest implementation package of the project, is scheduled to commence by the end of 2018, following the completion of the procurement process. The awarding of the contract is, as of the drafting of the present report, scheduled for August 2018. However, based on progress to date, it is likely that the contract award date could slip slightly. It is anticipated that construction will commence by the end of 2018 following the completion of the procurement process. The potential schedule slippage is also addressed in the present report under the heading "Risk management".

47. Procurement action for the artwork conservation and restauration package is ongoing and is forecasted to be completed by the end of 2018, which would allow for the execution of some removal work and protective measures before the planned commencement of the Africa Hall main works package.

48. Procurement actions for the high-tech conference systems and networks and the permanent exhibition have yet to be initiated. Related design work is still ongoing and is scheduled for completion by March 2019.

Local knowledge and lessons learned

49. The implementation of the project is aligned with the lessons learned and best practices reflected in the United Nations Guidelines for the Management of Construction Projects. In addition, lessons learned and best practices identified during the project's implementation will be reflected in updates to that document, so that United Nations capital construction projects around the world can also benefit from the lessons learned.

50. Following the proactive participation of the Africa Hall project team in the accessibility task force and the resulting improvement in the quality of design development for the Africa Hall renovation project, the project has been identified by the Secretariat as a best practice and serves as a benchmark for the future development of other projects, including those at the ECA compound. A local institution has also been involved and is proactively taking part in the design process.

Planning and design activities

51. During the reporting period, the lead consultant commenced design services to upgrade information technology systems, including communications technology, audiovisual and conference engineering systems (specifically an independent local area network dedicated to broadcasting system use), adequate wireless network support for meeting participants and an information technology architecture for the network. Those necessary design changes were identified by the end user and executed as an amendment to the contract, following review and acceptance by the Secretariat through the established change control procedures.

52. As part of the scope of stage 3 (pre-construction), the lead consultant has completed the detailed design and tender documentation for the Africa Hall main works package. To ascertain the correctness of the design (i.e., its alignment with the input provided by the client and its compliance with applicable codes and standards), ECA carried out a peer review of the entire dossier through a third-party consultant. The results were satisfactory, with a need to identify and correct only minor issues. The process also identified potential design enhancements with respect to accessibility and fire resistance that are currently under consideration by the design team. They will be incorporated if they can be met within current project budget and schedule constraints. The technical members of the Advisory Board were also involved in the review process. They analysed the design documentation and provided comments and suggestions from the end-user and client perspective, with respect to, for example, functional improvements to the food service design.

53. In response to a request by the General Assembly (see resolution 72/262 A, sect. XII, para. 6), ECA engaged with UNESCO and the African Union, as well as academic and other authorities involved in the heritage conservation sector, to evaluate the solutions proposed in the design and to identify areas for enhancement. The experts that have been engaged, with support from the lead consultant, are coordinating inputs and have submitted a report capturing details of the design as well as the results of the joint analysis conducted by the group. Those details will be referenced when executing the implementation phase of the historic preservation part of the project.

54. Regarding the detailed design of the exhibition area, the experts of the working group that was set up for that purpose have made efforts to involve all institutions that may have an interest and could provide expertise. The completion of the design will allow procurement actions to take place in 2019.

55. In response to the request by the General Assembly to include local knowledge (see resolution 72/262 A, sect. XII, para. 4), ECA has engaged the Faculty of Architecture of the University of Addis Ababa, which recently established a master's program in heritage conservation. Discussions are ongoing to assess the possibility of involving students in the works implementation, either to accompany the implementation of the works themselves (with the exception of monitoring and supervision activities), and/or by arranging regular site visits for students to familiarize them with implementation practices. Given that heritage preservation is a relatively new field in the region, the Secretariat considers the effort to be an important and potentially beneficial outreach and capacity-building activity.

56. With regard to artwork conservation and restoration, the lead consultant has completed the design and technical documentation. As reported above, the procurement process did not yield satisfactory results, and a new procurement exercise will be undertaken.

57. Following a recommendation by the Advisory Committee on Administrative and Budgetary Questions on the reuse of furniture (see A/72/7/Add.26, para. 12), which was endorsed by the General Assembly in its resolution 72/262 A, ECA, through the lead project consultant, has carried out an in-depth analysis of the state of existing furniture, building on a previous assessment, and all existing furniture has now been recorded. The results showed that some furniture could be reused when implementing the early decanting works package, for example, to refurbish the lobbies. Doing so would result in a furniture reusage level of approximately 60 per cent. Furthermore, when entering the execution phase for the Africa Hall main works package, additional options will be assessed for reusing furniture. Once the furniture needs for the project have been met, the remaining furniture may also be used in other parts of the ECA compound, which will be managed through the facilities management service.

Status of construction efforts

58. The contract for the early decanting works was signed in January 2018. Owing to a delay on the part of contractor in executing the mobilization phase of the contract, the work site could not be handed over to the contractor until April 2018. As indicated in paragraph 45 above, the early decanting works contract was amended in May 2018, and those works are now forecast for completion in February 2019, slightly later than originally planned.

59. With the commencement of the early decanting works package in January 2018, the project formally entered stage 4, the construction stage. Conrad Gargett, an Australian architecture firm and the consultant nominated to lead the project, established a permanent presence and opened an office in the ECA compound for the

delivery of contractual on-site services, which include the provision of technical advisory services and site administration services.

H. Other matters

Accessibility

60. To ensure that equitable access design is in line with the Convention on the Rights of Persons with Disabilities, the project management team has been closely coordinating with the ECA accessibility task force, including by actively participating in the task force's regular meetings since February 2017. ECA is also exchanging examples of best practices with other United Nations offices, in coordination with the Office of Central Support Services.

61. Furthermore, to augment the quality of accessibility design and share experiences on the subject, ECA has had discussions with external partners, including Austrian Development Cooperation and the Ethiopian Centre for Disability and Development. ECA will continue to reach out to these and other potential partners working on the issue to benefit from shared experience and knowledge.

Sustainability

62. As previously reported, in response to a request of the General Assembly (see resolution 72/262 A, sect. XII, para. 7), the project will adhere to current industry best practices for minimizing energy consumption and for increasing efficiencies in the use of water and other resources, which will in turn reduce the long-term operating costs of Africa Hall. The sustainability initiatives in the current design with respect to minimizing energy use include solar-heated water, motion sensors and dimmer controls for intelligent lighting, daylight sensing, passive and mixed-mode ventilation, low solar-transmitting glazing and improved insulation. Water efficiency measures include metered and low-flow plumbing fixtures and water harvesting.

Visitors' centre

63. In respect of the visitors' centre, the General Assembly has encouraged the Secretary-General to refine the underlying assumptions and the calculation for the projected number of visitors to Africa Hall (see resolution 72/262 A, sect. XII, para. 8). Considering that this is a new project, it is suggested that the best time for making more accurate underlying assumptions and a better calculation of the projected number of visitors be at least 12 months after the opening of the visitors' centre. That is because, by then, enough publicity and promotional activities will have been undertaken in Ethiopia and other countries to allow for better estimation of the potential number of visitors to Africa Hall.

64. In addition, the General Assembly has requested the Secretary-General to include an update on the different admission options that could allow access to Africa Hall to a larger number of visitors, especially students, academicians, residents and guests (see resolution 72/262 A, sect. XII, para. 10). It should be noted that Africa Hall is and will primarily continue to be a tourist attraction, which means that the number and types of visitors could in theory be virtually unlimited. But there are a number of primary groups that will be targeted initially for outreach, including students, guests attending conferences at the headquarters of the Economic Commission for Africa and the African Union, diplomats, tourists, ordinary citizens and researchers, among others. As many as 350 conferences, workshops and training activities are held every year at the ECA compound, which could potentially bring many visitors to Africa Hall through the visitor's centre. It is envisaged that, at a later

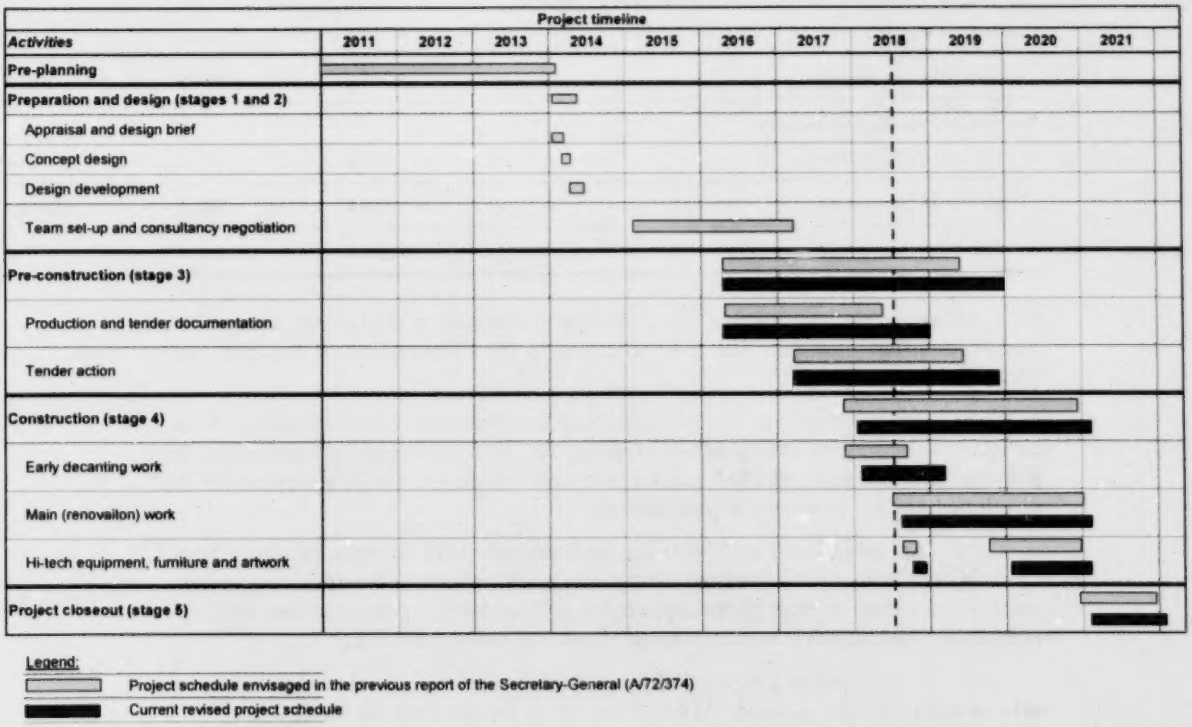
date, groups of potential visitors from other countries, especially those in the region, will also be targeted for outreach.

I. Project schedule updates

65. The project schedule is regularly updated to reflect actual progress, and figure III below shows the latest project schedule as of July 2018. The above-mentioned slippages in commencing stage 4 are reflected as a slight delay in the completion date of the early works package and the project overall. However, the project team is constantly assessing measures such as increasing the contractor's staff and/or extending working hours to fast-track project implementation. Alternative construction methods and/or the use of modern technologies may also be considered. The schedule will be further assessed and adjusted, with input from the Africa Hall main renovation works contractor (once contracted), to potentially mitigate any risk of delays. Although subject to risk, completion by the end of 2021, as initially forecast, is still considered achievable.

66. The project team will continue to support the efforts of the independent risk management firm and provide, among other things, updated schedule information that takes into account any impact resulting from the ongoing procurement process for the Africa Hall main renovation works. The team will also continue to keep the independent risk management firm informed regarding project development and provide the input needed to conduct a risk-based impact analysis of the project schedule and to plan appropriate mitigating measures in advance.

Figure III
Project schedule for the renovation of Africa Hall as of July 2018



J. Project costs

67. The cost plan is monitored closely to identify risks and reflect updates to estimated or actual expenditures, as well as to avoid unforeseen cost overruns and to ensure that expenditures are kept under control.

68. The annex contains detailed information on the latest cost estimate for the entire project. The breakdown of that total cost estimate, as compared with the previous report, is provided in table 1 below.

Table 1
Change in estimated total project costs: comparison of current and previous reporting period figures

(Thousands of United States dollars)

	Current reporting period	*Previous reporting period (see A/72/374)*	*Difference*
	(a)	*(b)*	*(c)=(a)-(b)*
Section 33, Construction, alteration, improvement and major maintenance			
1. Construction costs	35 424.2	31 443.0	3 981.2
2. Professional services	6 693.8	6 517.4	176.4
3. Escalation	1 373.8	5 706.4	(4 332.6)
4. Contingency	8 271.1	8 173.8	97.3
Subtotal, section 33	**51 762.9**	**51 840.6**	**(77.7)**
Section 18, Economic and social development in Africa			
5. Project management	4 716.6	4 454.9	261.7
Subtotal, section 18	**4 716.6**	**4 454.9**	**261.7**
Section 34, Safety and security			
6. Security requirements	416.8	600.8	(184.0)
Subtotal, section 34	**416.8**	**600.8**	**(184.0)**
Total	**56 896.3**	**56 896.3**	**–**

69. Although the amount of the total cost estimate remains unchanged, its composition has changed. The main changes in the composition of the total cost estimate are as follows:

(a) An increase of $3,981,200 for construction costs resulting from: (i) updated figures reflecting actual contract values for the early decanting works package; and (ii) updated 2018 main works cost estimates, which are based on the developed design, with escalation absorbed;

(b) An increase of $176,400 for professional services costs resulting from: (i) additional design efforts related to upgrades to conference systems and equipment; and (ii) reductions in third party support for independent risk management services, independent design reviews and other professional support services;

(c) A decrease of $ 4,332,600 for projected escalation costs, which have now been absorbed by the updated 2018 cost estimates for the main works contract;

(d) An increase of $97,300 for the contingency budget, which has been calculated by applying an additional 20 per cent rate on top of the revised/updated construction trade costs, professional services costs and escalation costs;

(e) An increase of $261,700 for project management costs, reflecting the refinement of cost calculations based on actual expenditures and updated estimates;

(f) A decrease of $184,000 for security requirements, reflecting the refinement of cost calculations for six security officers based on actual expenditures and updated estimates.

K. Project expenditures and anticipated costs

Status of expenditures and projected expenditures for 2018

70. The General Assembly approved appropriations of $13,438,600 for the project in its resolution 70/248 A, $37,600 for the physical security of the project by its resolution 71/272 A, and $5,700,300 in its resolution 72/262 A. The total approved project funding until the end of 2018 is $19,176,500.

71. Table 2 below shows the actual project expenditures as at 30 June 2018, the projected expenditures for the remainder of 2018, and the projected unused balance at the end of 2018. As shown, total projected expenditures for the period 2016–2018 amount to $10,351,500.

Table 2
Status of expenditures as at 30 June 2018 and projection for the remainder of 2018
(Thousands of United States dollars)

	Appropriated project funding for 2016–2018	*Cumulative expenditure from project start-up to 30 June 2018*	*Projected expenditures from 1 July to 31 December 2018*	*Total projected expenditures for 2016–2018*	*Projected unused balance at the end of 2018*
	(a)	*(b)*	*(c)*	*(d) = (b) + (c)*	*(e) = (a)-(d)*
Section 33, Construction, alteration, improvement and major maintenance					
1. Construction costs	9 050.0	29.1	3 029.7	3 058.8	5 991.2
2. Professional services	4 556.9	4 057.6	113.8	4 171.3	385.6
3. Escalation	880.4	-	5.5	5.5	874.9
4. Contingency	2 342.6	-	885.8	885.8	1 456.9
Subtotal, section 33	**16 829.9**	**4 086.7**	**4 034.8**	**8 121.5**	**8 708.5**
Section 18, Economic and social development in Africa					
5. Project management	2 158.7	1 570.5	542.8	2 113.2	45.5
Subtotal, section 18	**2 158.7**	**1 570.5**	**542.8**	**2 113.2**	**45.5**
Section 34, Safety and security					
6. Security requirements	187.8	67.3	49.5	116.8	71.0
Subtotal, section 34	**187.8**	**67.3**	**49.5**	**116.8**	**71.0**
Total	**19 176.4**	**5 724.5**	**4 627.1**	**10 351.5**	**8 825.0**

72. As shown in table 2 above, there is expected to be a balance of $8,825,000 remaining unused at the end of 2018, owing to delays in the commencement of construction activities.

Resource requirements for 2019

73. The resource requirements for 2019 are shown in table 3 below. The total projected expenditure for 2019 amounts to $17,756,100, comprising:

(a) $16,646,100 under section 33, Construction, alteration, improvement and major maintenance, for building costs (including infrastructure, the Africa Hall main building, the visitors' centre and external works), conference and information technology systems, and escalation and contingency provisions (shown as separated from base costs);

(b) $1,010,000 under section 18, Economic and social development in Africa, for the continuation of the approved project management team;

(c) $100,000 under section 34, Safety and security, for the continuation of the six approved security officers.

Table 3
Resource requirements for 2019
(Thousands of United States dollars)

	Projected expenditures in 2019	*Projected unused balance at the end of 2018*	*Net funding requirement for 2019*
	(a)	*(b)*	*(c)=(a)-(b)*
Section 33, Construction, alteration, improvement and major maintenance			
1. Construction costs	12 513.0	5 991.2	6 521.8
2. Professional services	998.3	385.6	612.7
3. Escalation	316.7	874.9	(558.2)
4. Contingency	2 818.1	1 456.9	1 361.3
Subtotal, section 33	**16 646.1**	**8 708.5**	**7 937.6**
Section 18, Economic and social development in Africa			
5. Project management	1 010.0	45.5	964.5
Subtotal section 18	**1 010.0**	**45.5**	**964.5**
Section 34, Safety and security			
6. Security requirements	100.0	71.0	29.0
Subtotal, section 34	**100.0**	**71.0**	**29.0**
Total	**17 756.1**	**8 825.0**	**8 931.1**

74. Taking into account the projected unused balance of $8,825,000 at the end of 2018, the net funding requirements in 2019 would amount to $8,931,100, comprising: (a) $964,500 under section 18, Economic and social development in Africa; (b) $7,937,600 under section 33, Construction, alteration, improvement and major maintenance; and (c) $29,000 under section 34, Safety and security.

L. Next steps

75. Actions to be realized during the next reporting period include:

(a) Completion of the early works and the decanting of the tenants who currently occupy the Africa Hall main building;

(b) Awarding of the contract and commencement of the Africa Hall main renovation works and artwork restoration;

(c) Completion of the design and tender dossiers for the conference engineering systems;

(d) Definition of exhibit themes and completion of the permanent exhibition's design;

(e) Signing of an amendment to the lease agreement with the host country Government to define the use and development of the additional land needed for the new visitors' parking area.

III. Recommended actions to be taken by the General Assembly

76. **The General Assembly is requested to:**

(a) **Take note of the progress made since the issuance of the previous report of the Secretary-General;**

(b) **Take note of the revised cost plan for the project;**

(c) **Appropriate a net amount of $8,931,100 for project activities in 2019, comprising: $964,500 under section 18, Economic and social development in Africa; $7,937,600 under section 33, Construction, alteration, improvement and major maintenance; and $29,000 under section 34, Safety and security, of the programme budget for the biennium 2018–2019, which would represent a charge against the contingency fund.**

Annex

Revised cost plan

(Thousands of United States dollars)

	2016	2017	2018	2019	2020	2021	Total
Section 33, Construction, alteration, improvement and major maintenance							
1. Construction costs							
1.1 Building costs	–	–	1 111.8	10 750.4	10 431.5	5 520.0	27 813.7
1.2 Decanting works	–	–	1 897.0	162.5	–	–	2 059.5
1.3 Conference and information technology systems				1 500.0	1 350.0	1 050.0	3 900.0
1.4 Artwork restoration			50.0	100.0	650.0	150.0	950.0
1.5 Permanent exhibition (curatorial)				–	600.0	101.0	701.0
2. Professional services							
2.1 Lead consultancy firm	2 760.1	61.1	1 200.0	953.1	650.0	777.0	6 401.2
2.2 Risk management			73.1	20.2	20.2	26.9	140.4
2.3 Other services	3.5	64.7	8.9	25.0	25.0	25.0	152.1
3. Escalation			5.5	316.7	623.7	427.9	1 373.8
4. Contingency			885.8	2 818.1	2 924.6	1 642.5	8 271.1
Subtotal, section 33	**2 763.6**	**125.8**	**5 232.1**	**16 646.0**	**17 275.0**	**9 720.3**	**51 762.8**
Section 18, Economic and social development in Africa							
5. Project management							
5.1 Dedicated project management and support team	320.7	869.1	685.9	809.2	819.2	414.2	3 918.3
5.2 Dedicated coordinator at Headquarters	–	14.2	90.8	90.8	90.8	90.8	377.4
5.3 Consultancies and expertise	–	5.6	70.0	90.0	89.9	48.5	304.0
5.4 Travel of project management team	16.5	20.5	20.0	20.0	20.0	20.0	117.0
Subtotal, sections 18	**337.2**	**909.3**	**866.7**	**1 010.0**	**1 019.9**	**573.5**	**4 716.7**
Section 34, Safety and security							
6. Security requirements		26.8	90.0	100.0	100.0	100.0	416.8
Subtotal, section 34	**–**	**26.8**	**90.0**	**100.0**	**100.0**	**100.0**	**416.8**
Total	**3 100.8**	**1 061.9**	**6 188.8**	**17 756.0**	**18 394.9**	**10 393.8**	**56 896.3**